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# Hamlet of Enterprise

## Special Meeting

Monday, November 28, 2011

Community Centre at 2:00 PM – 3:35 PM

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Start Motions #2011 – 11-111

**#1. Call to Order 14:02**

**#2. Members Present**

Mayor Al Flamand

Deputy Mayor Craig McMaster

Councilor Jim Dives

Councilor Joe Lalonde

Councilor Heather Klassen

Councilor Tammy Neal

**Members Absent**

Councilor Mathew Gauthier

**Community Gallery**

None

**Staff/Volunteers**

Peter Groenen

**Delegates**

Garry Strong – Dillon Consulting

Corina Peach – Dillon Consulting

**#3. Acceptance of Agenda**

Mayor Al Flamand asked for acceptance of the Agenda.

**Motion #2011-10-111**

**Motion to accept the agenda.**

**Moved by Councilor Jim Dives**

**Second by Deputy Mayor Craig McMaster**

**Carried**

**#4. Delegations**

Dillon Consulting representatives Gary strong and Corina Peach presented the draft Water Supply Study Report. The report outlined five options as per the RFP.

Based on the information the report outlined the most economically viable options were options 4 & 5, which included constructing and operating a WTP. These options provided positive cash flow in excess of \$1.1 million over 20 years. Total investment would be \$1.2 million for the WTP, well and site development. An additional 450,000 would be required for a truck and heated garage bay.

In option 5, if Kakisa were to access water from the WTP they would also realize benefits with the source being about 25% closer than Hay River. They would have several options to deliver water including operating their own truck, contracting a third party or having us provide the service.

Options 1 & 2 looked at continuing to pick up water from the Hay River WTP and, although providing a small positive cash flow over 20 years, were basically break-even scenarios. These options looked at continuing with a contractor as we do now or purchasing and operating our own water truck. If MACA re-evaluates the current water funding for Enterprise because of the raw water costs and distances to the source, the viability of these scenarios may change significantly. We don't expect to hear anything from MACA until the end of March 2012.

Option 3 considered providing non-potable water separately from a well in the community and using the Hay River WTP for the supply of potable water. This scenario shows a cash flow loss of \$1 million over the 20-year period due mainly to the relatively low expected volumes of non-potable water and the capital investment and ongoing O&M of a water well.

A number of questions were asked about water quality if we drilled a well. The water samples taken from local wells showed there was good water in the area although there were some issues with iron, manganese, hydrogen sulfides (rotten egg smell) and turbidity. The consultants had no concerns that a WTP would be able to produce good quality water and address these contaminants. They suggested that once a test well was drilled they would be able to run a sample of water through a laboratory WTP so the community could actual taste the water before a final decision to proceed was made. The WTP cost estimates included a design with a green sand filter, chlorination and UV treatments, and possibly a water softener. The plant design would be able to accommodate a population of up to 400 people.

Council wondered how quickly a test well can be drilled. It could not be done until early June. The SAO will investigate lead times for drilling companies to book a rig and provide the information back to Council.

Certification for a WTP operator would be key to a successful project. Funds have been included in options 4 & 5 for ongoing staff training. If a decision is made to proceed, the Hamlet should take immediate steps to begin training someone so that qualified staff would be available once a plant is built.

The costs are significantly below GNWT budget costs for a number of reasons. These included:

- The cost of the well at \$100,000 is significantly less than a water intake from a river or lake which can cost upwards of \$1 million.
- The fire hall reservoir reduces the need for large water storage capacity for fire.
- Because Hay River is close by and may be used as a backup, many redundancies can be removed from the plant design.
- The community already has a large portable backup generator, which can be mobilized quickly.

The Dillon representatives were very confident their capital investment projections were more than adequate.

Questions were asked about the need for 1 or 2 wells. Dillon responded that 2 wells would be drilled, one for monitoring, and it could be set up as a backup. However, a backup well may not be necessary in our circumstances if we kept spare parts on hand. Drilling a test well would be the next step in the project to determine the flow capacity, water quality confirmation and if the new well would have any impact on other wells in the community.

A question was asked about the impact on the various scenarios if the community had a significant increase in population because of the potential for industry to locate here. Dillon agreed to produce a

sensitivity scenario on options 1, 2 and 4 considering a population increase of 75 people as part of the final report.

Councilors in general agreed with and were excited at the possibility of constructing and operating the water supply system. They saw many benefits for the community including local jobs and more independence and control over a vital service. In addition, a reduction of green house gas emissions would be achieved if a WTP were located in Enterprise.

All scenarios used the total cost of development and construction against revenues. No provision was made for taking capital funds from the CPI or Gas Tax funds although the potential amounts for each scenario are outlined in the study. If this were considered the cash flows for all scenarios would improve significantly. Currently the Hamlet has adequate uncommitted resources for the project. Council would need to weigh the impact of using restricted funds for the project against future community requirements in making a decision to proceed. Questions were also asked about making the project self sufficient and have the W&S fund repay the capital costs over the life of the project and/or setting aside replacement reserves if a WTP were to proceed. The SAO will investigate the viability of these possibilities if the project proceeds.

The final report will be provided to Council in January. Dillon also offered to provide a 2-page summary of the study results that would be suitable for community circulation perhaps as early as the beginning of December.

**#5. Date of Next Meeting**

Next Regular Meeting will be December 5, 2011, 7pm.

**#17. Adjournment**

**Motion 2011-11-112**

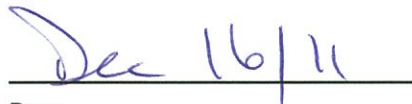
**Motion to adjourn at 15:17**

**Motion by Councilor Heather Klassen**

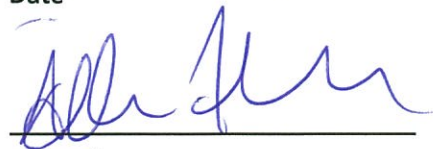
**Second by Councilor Jim Dives**

**Carried**

**The Minutes of the above meeting are deemed to be correct.**



Date



Mayor/Deputy Mayor



Senior Administrative Officer